

WALL STREET JOURNAL

2 December 1983

ARTICLE APPEARED  
ON PAGE 12

## Justice Agency Is Seen Dropping Inquiry Into Jesse Jackson's Past Libya Dealings

By EDWARD T. POUND

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — The Justice Department, after three years of inactivity on the case, said it is preparing to end its inquiry into the Rev. Jesse Jackson's past dealings with the government of Libya.

A department source said the inquiry hasn't turned up any evidence to indicate that Mr. Jackson, a candidate for the Democratic presidential nomination, should have registered as an agent for Libya.

The inquiry began in late 1980 after published reports that Libya's chief diplomat in the U.S., Ali el-Honderi, contributed \$10,000 to Mr. Jackson's Chicago-based civil rights organization, Operation PUSH. At the time, diplomatic relations between the U.S. and Libya were strained, and in mid-1981 the U.S. expelled members of the Libyan mission here because of the North African nation's support of international terrorism.

Under the Foreign Agents Registration Act of 1938, a person must register with the government if he engages in political activities at the request, or under the control, of a foreign principal. "We have no information that he was promoting the Libyan government," the Justice Department source said.

He said the department has been waiting for several months for Mr. Jackson's lawyer, John H. Bustamante of Cleveland, to provide some additional written details relating to the \$10,000 gift. He said the case will be closed once the material is received, unless it contradicts what Mr. Bustamante told the department.

The source said the inquiry "never did receive high priority" at the Justice Department and "wasn't considered a front-burner case."

In a telephone interview, Mr. Bustamante, who also is general counsel for PUSH, or People United to Serve Humanity, said he thought he had provided most of the written information sought by the department. He said he planned to turn over a copy of the \$10,000 check next week. "I thought they had dropped the thing (the inquiry)," he said. "Since the Rev. Jackson announced (his candidacy), they've been calling me."

Mr. Bustamante said he had told the department that Mr. Jackson hadn't acted as a Libyan agent, and he said the \$10,000 gift, which was made in December 1979, was used by PUSH to defray expenses of a fund-

raising concert given by entertainer Roberta Flack.

Mr. Houderi, he said, was a guest speaker at a PUSH luncheon in Chicago. "This was nothing covert," he said. "The check was delivered openly in the meeting." He added, "We had diplomatic relations with Libya at the time of the contribution. Now, we don't. This is the only contribution PUSH received from Libya."

U.S. intelligence officials said three years ago that Mr. Jackson and others, including Billy Carter, the president's brother, were targets of a Libyan campaign to befriend individuals, organizations and corporations that might help promote Libyan interests in the U.S.

In a 1980 interview, Mr. Jackson said he was "an advocate for black business—not an agent for Libya." He pointed out that he had written the Libyan mission here in behalf of a black businessman who was seeking an oil allocation from Libya.

A former U.S. official said Libya approved the allocation in an attempt "to curry favor with Jackson." Another former U.S. official said the business plan ultimately collapsed.

The Libyan gift and another \$10,000 that PUSH received from an Arab-American organization in 1979 strained Mr. Jackson's relations with American Jewish leaders. He also was sharply criticized after he visited the Middle East in September 1979, embraced Yasser Arafat, the leader of the Palestine Liberation Organization, and endorsed some PLO positions.